

Breaking Tax News

Electronic Public Road Transportation Control System - Penalties from 1 February

In contrast to our monthly Tax News+, in our Breaking Tax news you will be informed immediately of regulatory changes affecting your business but without commentary by our experts.

As of 1 January 2015 the amendments to the Act on the Rules of Taxation introducing the electronic public road transportation control system (hereinafter: EKAER) as well as the Ministry decrees defining the range of high risk products have entered into force.

The rules have been applicable from the first day of this year and the legislators allowed only a very short preparation time for compliance (potential penalties will be imposed by the tax authority as of 1 February). Following the adoption of the legal regulations various materials are available for the interpretation of the rules, which may help you answer a few practical questions. In the remaining time for preparation it is still possible to clear the upcoming issues and uncertainties, as well as to consider the mandatory tasks of your Company arising from the EKAER system requirements. Just to give you a few ideas, please find below a list of issues to consider.

Have you considered

- in case of a triangular transaction which party should apply for an EKAER number?
- whether the movement of your goods between your own sites is subject to EKAER?
- how to generate an EKAER number for a consolidated shipment?
- whether you have a high risk product among your goods?
- whether you could be exempt from the obligation to provide a security deposit?
- whether transit transport is subject to the EKAER liability?
- how to apply the EKAER rules in case of reverse taxation?
- what does "first domestic taxable sale of goods" mean?
- whether there is any relation between the EKAER liability and the parities?
- whether a penalty may be imposed if you fail to enter the item numbers of the products in the shipment?
- that the tax authority may impose a penalty of up to 40% in a subsequent audit?
- what are the cases when you can be exempted from an EKAER number?
- that your VAT deduction right may be challenged in case of purchases without an EKAER number?

Did you know

- that it is forbidden to distribute food products without a FELIR ID?
- that your partners cannot receive the food products that you deliver without a FELIR ID?
- that in case of food products the EKAER system will only generate an EKAER number if you enter the FELIR ID?
- which products qualify as high risk food?
- that high risk food products may only be transported to authorized storage sites?
- which are the cases when high risk food may be transported without an EKAER number?
- that a security deposit is obligatory for high risk food products?

If you are interested, or you have any questions, please, do not hesitate to contact us to discuss the issues in detail either in a personal meeting or on the phone.

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